

CHAPTER 1 ORGANIZATION AND OPERATION

[Prior to 11/19/86, Racing Commission[693]]
[Prior to 11/18/87, Racing and Gaming Division[195]]

491—1.1(99D,99F) Function. The Iowa racing and gaming commission was created by Iowa Code chapter 99D and is charged with the administration of the Iowa pari-mutuel wagering Act and excursion boat gambling Act. Iowa Code chapters 99D and 99F mandate that the commission shall have full jurisdiction over and shall supervise all race meetings and gambling excursions governed by Iowa Code chapters 99D and 99F.

491—1.2(99D,99F) Organization and operations.

1.2(1) The Iowa racing and gaming commission is located at 717 East Court, Suite B, Des Moines, Iowa 50309; telephone (515)281-7352. Office hours are 8 a.m. to 4:30 p.m. Monday through Friday.

1.2(2) The Iowa racing and gaming commission consists of five members. The membership shall elect a chairperson and vice-chairperson in July of each year. No chairperson shall serve more than two consecutive one-year full terms.

1.2(3) The commission meets periodically throughout the year and will meet in July of each year. Notice of a meeting is published at least five days in advance of the meeting or will be mailed to interested persons upon request. The notice will contain the specific date, time, and place of the meeting. Agendas are available to any interested persons not less than five days in advance of the meeting. All meetings will be open to the public, unless a closed session is voted by four members or all members present for the reasons specified in Iowa Code section 21.5. The operation of commission meetings will be governed by the following rules of procedure:

- a.* A quorum shall consist of three members.
- b.* When a quorum is present, a position is carried by an affirmative vote of the majority of the entire membership of the commission.
- c.* Persons wishing to appear before the commission should submit a written request to the commission office not less than seven days prior to the meeting. The administrator or commission may place a time limit on presentations after taking into consideration the number of presentations requested.
- d.* Special or electronic meetings may be called by the chair only upon a finding of good cause and shall be held in strict accordance with Iowa Code section 21.4 or 21.8.
- e.* The presiding officer may exclude any person from the meeting for behavior that disrupts or obstructs the meeting.
- f.* Cases not covered by these rules shall be governed by the 1990 Edition of Robert's Rules of Order Newly Revised.

1.2(4) Minutes of commission meetings are prepared and are available at the commission office for inspection during business hours. Copies may be obtained without charge by contacting the office.

491—1.3(99D,99F) Administration of the commission. The commission shall appoint an administrator for the Iowa racing and gaming commission who is responsible for the day-to-day administration of the commission's activities.

491—1.4(22,99F) Open records. Except as provided in Iowa Code sections 22.7 and 17A.2(7) "f" all public records of the commission are available for public inspection during business hours. Requests to obtain records may be made either by mail, telephone or in person. Minutes of commission meetings, forms and other records routinely requested by the public may be obtained without charge. Other records requiring more than ten copies may be obtained upon payment of the actual cost for copying. This charge may be waived by the administrator.

491—1.5(17A,99D,99F) Forms. All forms utilized in the conduct of business with the Iowa racing and gaming commission are available from the commission upon request.

491—1.6(99D,99F) Commission approval of contracts and business arrangements. No operator shall enter into any contract or business arrangement, verbal or written, with any related party, or in which the term exceeds three years or the total value of the contract exceeds \$50,000, without first submitting advance written notice thereof to the commission and obtaining commission approval therefor.

1.6(1) Purpose of contract review. The commission conducts reviews of contracts to serve the public interests in order that:

- a. Gaming is free from criminal and corruptive elements.
- b. Gaming-related funds are directed to the lawful recipient.
- c. Gaming profits are not improperly distributed.

1.6(2) Related parties. Other contract submittal requirements notwithstanding, contracts negotiated between the operator and a related party must be accompanied by an economic and qualitative justification.

1.6(3) Review criteria. The commission shall approve all contracts that, in their opinion, represent a normal business transaction. The commission may deny approval of any contract which, in their sole opinion, represents a distribution of profits that differs from commission-approved ownership and beneficial interest. This rule does not prohibit the commission from changing the approved ownership or beneficial interest.

***1.6(4) Satellite terminal.** A licensee shall not permit or facilitate the operation of a satellite terminal, as defined in Iowa Code section 527.2, or any other device or arrangement, by which credit is given to a licensee's customer through use of a credit card, as defined by Iowa Code section 537.1301(16). This provision, however, does not prohibit:

- a. The exchange of money for tokens, chips, or other forms of credit to be wagered on gambling games as specifically authorized by Iowa Code section 99F.9; or
- b. The sale of lodging, food, beverages, or other nongambling services or products by credit card purchase.

491—1.7(99D,99F) Retention, storage and destruction of books, records and documents.

1.7(1) Except as otherwise provided, all original books, records and documents pertaining to the licensee's operations shall be:

- a. Prepared and maintained in a complete and accurate form.
- b. Retained at a site approved by the administrator until audited.
- c. Held immediately available for inspection by the commission during business hours of operations.
- d. Organized and indexed in such a manner to provide immediate accessibility to the commission.

*Effective date of 9/16/98 delayed by the Administrative Rules Review Committee at its meeting held September 8, 1998, until the adjournment of the 1999 Session of the General Assembly.

1.7(2) For the purpose of this rule, “books, records and documents” shall be defined as any book, record or document pertaining to or prepared or generated by the licensee including, but not limited to, all forms, reports, accounting records, ledgers, subsidiary records, computer-generated data, internal audit records, correspondence, contracts, and personnel records.

1.7(3) All original books, records and documents may be copied and stored on microfilm, microfiche or other suitable media system approved by the administrator.

1.7(4) No original book, record or document, or suitable media copy, may be destroyed by a licensee, for three years, without the prior approval of the administrator.

These rules are intended to implement Iowa Code sections 99D.5 and 99D.6 and chapter 99F.

[Filed 5/18/84, Notice 4/11/84—published 6/6/84, effective 7/13/84]
[Filed emergency 10/20/86—published 11/19/86, effective 10/20/86]
[Filed 3/6/87, Notice 1/14/87—published 3/25/87, effective 4/29/87]
[Filed 6/11/87, Notice 4/8/87—published 7/1/87, effective 8/6/87]
[Filed 10/23/87, Notice 9/9/87—published 11/18/87, effective 12/23/87]
[Filed 2/16/90, Notice 12/27/89—published 3/7/90, effective 4/11/90]
[Filed 2/15/91, Notice 1/9/91—published 3/6/91, effective 4/10/91]
[Filed 12/6/91, Notice 10/16/91—published 12/25/91, effective 1/29/92]
[Filed emergency 3/22/93—published 4/14/93, effective 3/22/93]
[Filed 5/21/93, Notice 4/14/93—published 6/9/93, effective 7/14/93]
[Filed 4/10/97, Notice 2/12/97—published 5/7/97, effective 6/11/97]
[Filed 8/22/97, Notice 7/16/97—published 9/10/97, effective 10/15/97]
[Filed 3/6/98, Notice 12/17/97—published 3/25/98, effective 4/29/98]
[Filed 7/24/98, Notice 6/17/98—published 8/12/98, effective 9/16/98*]

*Effective date of Item 1, subrule 1.6(4), delayed by the Administrative Rules Review Committee at its meeting held September 8, 1998, until the adjournment of the 1999 Session of the General Assembly.